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IN THE

Supreme Court of the United States

OCTOBER TERM, 1961

No. 671

AUBREY A. LARSEN, *Petitioner,*

v.

DAVID L. LADD, Commissioner of Patents, *Respondent.*

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

DEAN LAURENCE
HERBERT I. SHERMAN
753 Warner Building
Washington 4, D. C.
Attorneys for Petitioner

PRESS OF BYRON S. ADAMS, WASHINGTON, D. C.

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Petitioner prays that a writ of certiorari issue to review the judgment of the United States Court of Customs and Patent Appeals, entered in the above-entitled case on July 21, 1961.

OPINION BELOW

The opinion of the United States Court of Customs and Patent Appeals is reported at 292 F. 2d 531, 139 USPQ 209 and is reprinted in Appendix A hereto.

JURISDICTION

The judgment of the Court of Customs and Patent Appeals was entered on July 21, 1961, and a timely petition for rehearing was denied on October 24, 1961. The jurisdiction of this Court is invoked under 28 U.S.C. section 1256. See discussion of jurisdiction, p. 7, infra.

QUESTIONS PRESENTED

1. Whether this Court has jurisdiction to review on a writ of certiorari a decision of the Court of Customs and Patent Appeals finally denying certain claims in an otherwise allowable patent application.

2. Whether the Court of Customs and Patent Appeals, in denying patent claims directed to a novel, useful process for making a patentable chemical product for lack of invention, has misinterpreted and misapplied 35 U.S.C. section 103, which defines the applicable statutory standard of invention, particularly as to the terms "prior art" and "subject matter as a whole".

3. Whether the Court of Customs and Patent Appeals misapprehended the nature of the relationship between a patentable substance and a process for its production.

STATUTE INVOLVED

35 U.S.C. section 103:

> **Conditions for patentability; non-obvious subject matter**
>
> A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences

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between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

STATEMENT

This proceeding grows out of the rejection by the Patent Office of certain claims in petitioner's otherwise allowable patent application, Serial 653 289, filed 1957 April 17, entitled "Iodinated Esters of Substituted Benzoic Acids and Preparation Thereof." Petitioner's patent application contains product claims directed to chemical compounds, and also process claims directed to the process of making the particular compounds of the product claims. Both types of claims were originally rejected over prior art. After affidavits were presented evidencing by a comparative showing that the claimed compounds had unexpected pharmacological properties not possessed by the prior art compounds, the Examiner allowed the product claims. The Examiner's final rejection of petitioner's process claims as unpatentable over Taub et al. 1 022 645 and Guest 2 561 468, which disclose the "type reaction" process applied to vaguely "analogous" starting material was affirmed by the Patent Office Board of Appeals and by the majority decision of the Court of Customs and Patent Appeals, two judges concurring separately and one judge dissenting, there being four separate opinions.

The issues, as presented to and discussed by the Court of Customs and Patent Appeals are legal in nature and all technical chemical aspects are merely

incidental. Thus, the question before the Court of Customs and Patent Appeals may be stated as: where

(1) it is known that A^1 plus B^1 yields A^1B^1,

(2) A is known

(3) B is known

(4) AB is patentable; i.e., it is novel, useful and unobvious.

Query: Is a process claim to "A plus B yields AB" patentable under the terms of 35 U.S.C. section 103, the governing statute?

35 U.S.C. reads, in pertinent part:

> "A patent may not be obtained . . . if the differences between the *subject matter sought to be patented* and the prior art are such that the *subject matter as a whole* would have been obvious . . . " [emphasis added]

Petitioner's main argument was: (1) He is entitled to a patent even if "the subject matter sought to be patented" would have been obvious, since the statutory test is the unobviousness of "the subject matter as a whole." (2) The "subject matter as a whole" includes the concept of the "subject matter sought to be patented" *plus* the tangible embodiment thereof with its attendant physical and applied use characteristics, i.e., the "subject matter as a whole" of process claims includes the starting material, the concept of the change in molecular structure wrought in the starting material during the course of the reaction, and the tangible product resulting therefrom with its inherent physical and applied use characteristics. (3) The product made is part of the "subject matter as a

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whole" and logically, if any, single part of a "whole" be unobvious, the "whole" is necessarily unobvious. Here the "subject matter as a whole" is necessarily unobvious, since the product made already has been established to be unobvious, claims thereto previously having been allowed.

The Court of Customs and Patent Appeals affirmed the Patent Office with four of the five judges writing separate opinions. There was a majority opinion by Chief Judge Worley, separate concurring opinions by Judges Rich and Martin and a dissent by Judge Smith. All of the opinions differ widely in reasoning and none of them considers specifically the fundamental point involved; i.e., the meaning of the term "subject matter as a whole", which term is the key term in the governing statutory provision.

Chief Judge Worley's opinion stated the issue as "whether a process for making a patentable compound is, ipso facto, a patentable process." He considered that petitioner's invention resided solely in the product and is not properly defined by the process claims, because once given the idea of the desired compound, the process for making the compound would be obvious.

Judge Rich concurred in the result, but not in Judge Worley's reasoning. He felt there was nothing *unobvious* in the selection of reactants A and B because that is dictated by the desire to produce AB, and also that the end result or properties of the products produced are not part of the process.

Judge Martin also concurred. He reasoned by analogy to machine situations that the claims recite only obvious esterification processes, and that the mere

selection of the particular compounds to be reacted doesn't impart patentability to the process.

Judge Smith dissented. He viewed the product and process claims as but different ways of claiming the disclosed invention. He chided the majority opinions for failing to consider the question of obviousness "at the time the invention was made"; i.e., for considering AB to be part of the prior art when it is not prior art as of the time the invention was made.

A Petition for Rehearing was filed, pointing out: (1) the reasoning of the majority appears bottomed on a misapprehension of the nature of the relationship between a patentable substance and a process for its production which, as set forth in *James* v. *Campbell*, 104 U.S. 356, 376, are the same thing; (2) the analogies in the two concurring opinions to a "process" for assembling a patentable machine are unsound because such a process is not a "process" within the meaning of 35 U.S.C. 100 and is not statutory subject matter; (3) the Court either misapprehended or overlooked the meaning of the term "subject matter as a whole" in 35 U.S.C. 103, and thus has not considered the question of the patentability of the claimed processes under the terms of the statute. (4) The Court misconstrued the Board of Appeals' ground of rejection and has scrambled the requirements of 35 U.S.C. 103 (which was involved) with 35 U.S.C. 112 (which was not involved in the appeal).

The Court of Customs and Patent Appeals denied the Petition for Rehearing.

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JURISDICTION

At the outset of this case is an important and unresolved question as to this Court's jurisdiction to review this or any patent case decided by the Court of Customs and Patent Appeals.

In a series of cases beginning with *Postum Cereal Co.* v. *California Fig Nut Co.*, 272 U.S. 693, this Court has held that neither patent nor trademark decisions of the nature now determined by the Court of Customs and Patent Appeals are reviewable in this Court. See also *Pacific Northwest Canning Co.* v. *Skookum Packers' Assn.*, 283 U.S. 858 (a trademark case); *McBride* v. *Teeple*, 311 U.S. 649 (a patent case). The following reasons have been given: (1) since the Court of Customs and Patent Appeals decisions do not have a binding effect on the question of trademark or patent validity, they are not of such nature as to be reviewable by this Court under its Article III jurisdiction; (2) the Court of Customs and Patent Appeals proceedings are administrative in nature and are not "cases" or "controversies" within the meaning of Article III; and (3) the absence of any statutory authorization for review of such proceedings by this Court.

Petitioner submits that all of the foregoing reasons have either disappeared or are inapplicable to this case and that this Court possesses full power to review the decision below.

(1) In this case, the Court of Customs and Patent Appeals determined that certain process claims in a patent application should be denied and hence there is nothing the validity of which can be called into question in another court at another time. Moreover, in

Hoover Co. v. *Coe,* 325 U.S. 79, and in *Special Equipment Co.* v. *Coe,* 324 U.S. 370, this Court granted full review of District Court patent proceedings even though the District Court judgments had no more binding effect on the issue of validity than do judgments of the Court of Customs and Patent Appeals. These two subsequent decisions indicate an abandonment of the no-binding-judgment argument advanced in the *Postum* case. See Robertson and Kirkham, Jurisdiction of the Supreme Court of the United States (Wolfson and Kurland ed.) § 251, pp. 442-448; Gilbert, The Constitutionality of Supreme Court Review of Patent and Trademark Decisions of the Court of Customs and Patent Appeals, 45 Geo. L. J. 645, 48 T.M.R. 8.

(2) The decisions of the Court of Customs and Patent Appeals can no longer be considered as administrative in nature. That tribunal in 1958 was accorded the status of "a court established under article III of the Constitution of the United States," 72 Stat. 848, 28 U.S.C. § 211, and its judgments must be considered to be judicial pronouncements on cases and controversies. The parties before it act in a truly adversary capacity and the court interprets and applies the legislative standards prescribed by Congress in rendering its decisions.

Further, the judges of the Court of Customs and Patent Appeals are now treated the same as circuit judges and district judges under 28 U.S.C. 293, in that they may be temporarily assigned interchangeably.

(3) This Court now has full and unconditional statutory authority to review any and all decisions of the Court of Customs and Patent Appeals. The

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1948 recodification of the Judicial Code plainly states: "Cases in the Court of Customs and Patent Appeals may be reviewed by the Supreme Court by writ of certiorari." 28 U.S.C. § 1256. This unambiguous provision indicates no legislative intent to confine review to any particular type of case or to exclude either patent or trademark cases. Also, Rule 19 of this Court's rules provides that the same general considerations governing review of decisions of the Courts of Appeals "will control in respect of petitions for writs of certiorari to review judgments of the Court of Claims, of the Court of Customs and Patent Appeals, or of any other court whose determinations are by law reviewable on writ of certiorari."

The foregoing factors combine to make evident the existence of jurisdiction in this Court to review the judgment below.

REASONS FOR GRANTING THE WRIT

1. The decision below has improperly decided an important question of federal law which has not been, but should be, settled by this Court

The decision below decides a fundamental question of the application and interpretation of what is perhaps the most important single section of the patent statute, 35 U.S.C. 103, which states the "standard of invention" to be applied in determining patentability. This section of the patent statute has never been interpreted by this Court, as it was first introduced in the 1952 Patent Act and had no precursor in previous patent statutes. The rejection by the Patent Office of process claims in the situation here involved represented a substantial change in the practice of the Patent Office where process claims were usually allowed

almost as a matter of course along with the product claims. The decision in this case will be applicable and controlling in hundreds of pending patent applications, since it is common, in patent applications claiming a novel chemical product, to include process claims. The decision below is a case of first impression in this country. However, the questions involved have been adjudicated contra to the decision in this case in Canada and Great Britain, which have a patent jurisprudence generally similar to ours. The decision below was a split decision by a divided Court, whose four separate opinions express divergent views. The decision below decides the interpretation of 35 U.S.C. 103 by default, since the Court specifically refused to grapple with the meaning of the key term "subject matter as a whole," and inferentially gave the term "prior art" a meaning inconsistent with the other requirements of that section.

In *A. & P. Tea Co.* v. *Supermarket Corp.*, 340 U.S. 147, 155, Mr. Justice Douglas pointed out in his concurring opinion that "The standard of patentability is a constitutional standard." Failure of the decision below to consider correctly the language of the provision of the statute which deals with the standard of patentability, makes appropriate the exercise of this Court's certiorari jurisdiction.

2. The decision below has decided a federal question in a way in conflict with applicable decisions of this Court

The decision below decides the question of the patentability of a process to make a patentable product in a way which conflicts with this Court's view of the relationship between the various classes of statutory

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subject matter which was expressed in *James* v. *Campbell,* 104 U.S. 356, 376 as:

> "A patent for a process and a patent for an implement or a machine are very different things. Powder Company v. Powder Works, 98 U.S. 126. Where a new process produces a new substance, the invention of the process is the same as the invention of the substance. . . ."

CONCLUSION

For the foregoing reasons, this petition for a writ of certiorari to the Court of Customs and Patent Appeals should be granted.

Respectfully submitted,

DEAN LAURENCE
HERBERT I. SHERMAN
753 Warner Building
Washington 4, D. C.
Attorneys for Petitioner

January 1962